

Montana Board of Oil and Gas Conservation

Environmental Assessment

Proposed Action: Approve Drilling Permit (Form 22)

Operator: Whiting Oil and Gas Corporation

Well Name/Number: Iversen 34-32-4H

Location: NE NE Section 32 T26N R58E

County: Richland, MT; Field (or Wildcat) W/C (Bakken Horizontal)

Air Quality

(possible concerns)

Long drilling time: No, 30 to 40 days drilling time.

Unusually deep drilling (high horsepower rig): No, triple derrick drilling rig to drill a single lateral Bakken Formation well, 21,119' MD/10,416' TVD.

Possible H₂S gas production: Yes slight possibility H₂S gas, from Mississippian Formations.

In/near Class I air quality area: No Class I air quality area in the area of review.

Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under rule 75-2-211.

Mitigation:

☒ X Air quality permit (AQB review)

☐ Gas plants/pipelines available for sour gas

☐ Special equipment/procedures requirements

☐ Other: _____

Comments: No special concerns – using triple derrick drilling rig to drill a single lateral horizontal Bakken Formation well. If existing gas gathering system for natural gas in the area, associated gas can be gathered or if no gathering system nearby, associated gas can be flared under Board Rule 36.22.1220.

Water Quality

(possible concerns)

Salt/oil based mud: Yes, oil based invert mud system will be used for drilling the mainhole (70/30 invert mud) and saltwater for drilling the horizontal lateral. Freshwater and freshwater mud system will be used for drilling the surface hole, Rule 36.22.1001.

High water table: No, no high water table anticipated at this wellsite.

Surface drainage leads to live water: No, nearest drainages are unnamed ephemeral tributary drainage to Fourmile Creek and Otis Creek 1/4 mile to the northeast, and 2/5 a mile to the northwest. Fourmile Creek is about 1 mile to the southeast and Otis Creek about 1-1/5 miles to the northeast. A stock pond is located 2/5 a mile to the southwest.

Water well contamination: None, closest water well is 1 mile to the southeast, and three wells 1.4 miles to the northeast. Depth of these stock and domestic water wells range from 25' to 110'. Surface hole will be drilled with freshwater and freshwater mud to 2000', rule 36.22.1001. Steel surface casing will be run and cemented from 2000' to surface.

Porous/permeable soils: No, variable sandy clay soils.

Class I stream drainage: No Class I stream drainages in the area of review.

Mitigation:

- ☒ Lined reserve pit
- ☒ Adequate surface casing
- ☐ Berms/dykes, re-routed drainage
- ☒ Closed mud system
- ☒ Off-site disposal of solids/**liquids (in approved facility)**
- ☒ Other: Lined cuttings pit will be utilized for cuttings solidification and burial on the wellsite.

Comments: 2000' of surface casing cemented to surface adequate to protect freshwater zones and will cover the base of the Fox Hills Formation, Rule 36.22.1001.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No stream crossings anticipated.

High erosion potential: No high erosion potential on cut and fill slopes, moderate cut, up to 17.4' and moderate fill, up to 17', required.

Loss of soil productivity: None, location to be restored after drilling well, if well is nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: No, a very large location, 425'X510' location size required.

Damage to improvements: Slight, surface use is cultivated land.

Conflict with existing land use/values: Slight

Mitigation

- ☐ Avoid improvements (topographic tolerance)
- ☐ Exception location requested
- ☒ Stockpile topsoil
- ☐ Stream Crossing Permit (other agency review)
- ☒ Reclaim unused part of wellsite if productive
- ☐ Special construction methods to enhance reclamation
- ☐ Other _____

Comments: Access to location will be over existing county road, #142. An access road of 528' will be built off the county road into this location. Oil based invert drilling fluids will be recycled. Completion fluids will be hauled to a Class II Disposal. Drilling cuttings and mud solids will be fly ashed in the lined cuttings pit and buried with subsoil cover. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: The nearest residence is 1.3 miles to the northeast. The town of Fairveiw, Montana is about 12 miles to the southeast. The town of Sidney is about 17 miles to the south.

Possibility of H2S: Slight possibility of H2S from Mississippian Formations.

Size of rig/length of drilling time: Triple drilling rig/short 30 to 40 days drilling time.

Mitigation:

- ☒ Proper BOP equipment
- ☐ Topographic sound barriers
- ☐ H2S contingency and/or evacuation plan
- ☐ Special equipment/procedures requirements

Other: _____
Comments: Adequate surface casing and operational BOP equipment should mitigate any problems. (BOP's 5,000 psig annular, pipe and blind rams) rule 36.22.1014. No concerns.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.
Proximity to recreation sites: None identified
Creation of new access to wildlife habitat: No
Conflict with game range/refuge management: No
Threatened or endangered Species: Species identified as threatened or endangered are the Pallid Sturgeon, Interior Least Tern, Whooping Crane, and Piping Plover. Candidate species are the Greater Sage Grouse and the Sprague's Pipit. MTFWP Natural Heritage Tracker website indicates thirteen (13) species of concern which are Great Blue Heron, Piping Plover, Whooping Crane, Least Tern, Northern Redbelly Dace, Blue Sucker, Iowa Darter, Shortnose Gar, Sturgeon Chub, Sicklefin Chub, Paddlefish, Sauger, and Pallid Sturgeon.

Mitigation:

- ☐ Avoidance (topographic tolerance/exception)
- ☐ Other agency review (DFWP, federal agencies, DSL)
- ☐ Screening/fencing of pits, drillsite
- ☐ Other: _____

Comments: Private grazing/hay surface lands. There maybe species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites None identified.

Mitigation

- ☐ avoidance (topographic tolerance, location exception)
- ☐ other agency review (SHPO, DSL, federal agencies)
- ☐ Other: _____

Comments: Private grazing/hay surface lands. There may be possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite. The Board of Oil & Gas has no jurisdiction over private surface lands.

Social/Economic

(possible concerns)

- ☐ Substantial effect on tax base
- ☐ Create demand for new governmental services
- ☐ Population increase or relocation

Comments: Wildcat well, no concerns.

Remarks or Special Concerns for this site

To drill a wildcat single lateral horizontal Bakken Formation well, 21,119'MD/10,416'TVD.

Summary: Evaluation of Impacts and Cumulative effects

No significant long term impacts expected, some short term impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): /s/John Gizicki
(title:) Compliance Specialist
Date: March 7, 2014

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Water wells in Richland County
(subject discussed)
March 7, 2014 (for previous wellsite)
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES
MONTANA COUNTIES, Richland County
(subject discussed)

March 7, 2014
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S1, S2, S3, T26N R58E
(subject discussed)

March 7, 2014
(date)

Montana Cadastral Website
(Name and Agency)

Surface Ownership and surface use Section 32 T26N R58E
(subject discussed)

March 7, 2014
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____